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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 11/15/07

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- 1) Prime Minister Fukuda's cold getting aides into fuss prior to visit to US

ASAHI (Page 4) (Full)
November 15, 2007

Prime Minister Yasuo Fukuda has been ill with a cold this week. He delivered speeches in meetings with an inaudible voice. He said: "Since I haven't a fever, I will be getting better soon." Prior to his first official trip to the United States as prime minister, Fukuda's aides are concerned.

"I can't speak," Fukuda said yesterday in a meeting of the governors across the nation. He then cracked a joke, "I usually speak with a nice voice." Participants were unable to hear some of his speech.

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On Nov. 12 in a Diet session, Fukuda responded to questions while sniffling. He put off a planned interview on the 13th with foreign correspondents. He returned to his residence after wrapping up a meeting after only 15 minutes. Fukuda reportedly told his aides, "I won't be able to carry out the summit (with the US president) as is. I will clear up my cold before leaving for the US."

- 2) Prime Minister Fukuda to stay only 26 hours in Washington -- first official overseas trip after taking office

YOMIURI (Page 4) (Full)
November 15, 2007

A schedule for Prime Minister Yasuo Fukuda's first official overseas travel to the United States and Singapore has now been set. In Singapore, Fukuda will hold talks with his Chinese counterpart and the South Korean president.

Fukuda is going to leave Japan this afternoon and hold his first summit with US President George W. Bush on the morning of Nov. 16. The two top leaders will then hold a joint press conference. After offering flowers at Arlington National Cemetery, he will hold an informal discussion with American experts. He is expected to leave Washington on the afternoon of the 16th and return home on the afternoon of the 17th.

Fukuda plans to leave for Singapore on the afternoon of the 19th and attend the summit of the Association of Southeast Asian Nations, Japan, China and South Korea (ASEAN and Plus 3). He is expected to hold his summit with the South Korean president. He will attend an East Asia summit on the 21st. He will return home on the morning of the 22nd after meeting Japanese and foreign correspondents in Singapore.

The prime minister initially planned to fly to Singapore from the United States, but he has decided to return home due to the Diet schedule. Therefore, he will stay in Washington only 26 hours.

- 3) Prime minister to express opposition to US delisting plan in meeting with President Bush

The United States is now considering the possibility of delisting North Korea as a state sponsor of terrorism. Prime Minister Yasuo Fukuda decided yesterday to express his opposition to this possible plan during a meeting with President Bush scheduled for Nov. 16 in Washington.

In the summit, Fukuda intends to refer to the fact there has been no progress on the issue of Japanese nationals abducted by North Korea and ask the US government to put off its delisting plan, saying: "If the US removes the North from the list despite no progress made on the abduction issue, there may be a serious impact on the Japanese people's feelings and Japan-US relations."

Asked by reporters at his official residence last evening for his comment on State Department spokesman Casey's remarks, Prime Minister Fukuda replied: "When considering the importance of Japan-US relations, we cannot take this one portion (of Casey's remarks) as encompassing the US government's view. The US also

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should hand down a comprehensive judgment." He raised questions about the idea of dealing with the process of removing the North from the blacklist separately from the abduction issue.

4) Prime Minister Fukuda to leave for US today: Japan-US summit tomorrow; Strength of bilateral alliance to be reconfirmed

MAINICHI (Page 2) (Full)
November 15, 2007

Prime Minister Yasuo Fukuda will leave for the US today and meet with President Bush tomorrow (local time). This will be his first foreign trip since taking office as prime minister. The prime minister during the upcoming talks with Bush will clarify his administration's diplomatic stance, by playing up synergy of strengthening the Japan-US alliance and promoting Asia diplomacy.

He will also explain a situation in which the new antiterror special measures bill cleared the Lower House. He will express his determination to do his utmost with the possibility of approving the bill again in the Lower House, even if it is rejected in the Upper House.

There is a growing possibility of the US taking off North Korea from its list of state sponsors of terrorism within the year. In this connection, Fukuda will work on Bush to set a settlement of the abduction issue as a precondition. He intends to call for a cautious response from the US side in the belief that if it removes North Korea from its blacklist without progress on the abduction issue, it could have a negative impact on bilateral relations.

5) Post-Kyoto Protocol: Prime minister to seek cooperation from US at bilateral summit; Will propose new working group plan

SANKEI (Page 8) (Excerpts)
November 15, 2007

The government yesterday revealed a plan for Prime Minister Yasuo Fukuda during his meeting with President Bush, which is to take place on Nov. 16, to bring up the global warming issue and seek cooperation for a proposal for creating a framework after the Kyoto Protocol expires in 2013. He intends to obtain US support for Japan's proposal for establishing a working group responsible for negotiations, instead of just dialogue, within the UN framework.

Japan's aim is to take the lead in discussions on setting up a new working group involving the US prior to the 13th session of the Conference of the Parties to United Nations Framework Convention on Climate Change (COP13) to be held on Bali, Indonesia, in early December.

Unless global warming prevention negotiations involve the US, which opted out of the Kyoto Protocol, and China and India, which have no

obligation to cut greenhouse gas emissions, it would be impossible to produce global-scale results. As such, Japan has readied a proposal that it is necessary to set up a working group joined by major emitters. Environment Minister Ichiro Kamoshita at a ministerial-level preparatory meeting for the COP13 and the third meeting of the Parties to the Kyoto Protocol (MOP3) held in Bogor, Indonesia revealed the proposal.

Following the move, the Japanese government has judged that it would

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be important in taking the initiative in the Bali meeting for Japan to officially obtain during the summit obtain US approval on the establishment of a working group.

President Bush is active in creating a post-Kyoto Protocol framework, as can be seen in the fact that he hosted an international conference on the global warming issue in September.

However, Bush remains opposed to the idea of restricting emissions in a forceful manner. He instead insists on emissions cuts under conditions that do not hamper economic growth. As such, it is unclear whether the US will give clear-cut approval to the proposal for setting up a working group as a post-Kyoto framework for negotiations.

6) US State Department: North Korea's status as terrorism-sponsoring nation not linked to abduction issue

SANKEI (Page 3) (Full)
November 15, 2007

Takashi Arimoto, Washington

State Department spokesman Tom Casey said in a press briefing on Nov. 13 that the issue of delisting North Korea as a state sponsor of terrorism and the issue of North Korea's past abductions of Japanese nationals are not necessarily linked. The spokesman indicated that the US would push forward the process of taking the North off a US blacklist without linking it to resolving the abduction issue. Under US domestic law, the president is required to inform the Congress of a plan to remove a country from the list at least 45 days before the plan comes into effect. If North Korea disables its nuclear facilities and declares all its nuclear-development programs by the end of this year in accordance with a six-party deal, the US will decide to delist it later this year and will put the plan into effect in mid-February.

But the spokesman, taking Japan's position into consideration, said: "There must be progress (on the abduction issue) in moving the six-party process forward." He indicated that the US would continue to give priority to resolving the abduction issue.

Former US Ambassador to the United Nations John Bolton, who is opposed to delisting North Korea, met on Nov. 13 with visiting representatives of the Association of the Families of Victims Kidnapped by North Korea, a group of Diet members dealing with the abduction issue, and the National Association for the Rescue of Japanese Kidnapped by North Korea. In the meeting, Bolton stressed the need for Prime Minister Yasuo Fukuda to convey to President Bush in their meeting on Nov. 16 Japan's unwavering priority to the abduction issue, saying: "The State Department is very eager to remove North Korea from the list, so I want to get an opportunity to thwart its plan."

7) Upper House approves extension of sanctions on North Korea; JCP, SDP oppose it

ASAHI (Page 4) (Full)
November 15, 2007

The House of Councillors plenary session agreed yesterday to re-extend until next April Japan's independent sanctions on North

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Korea. The sanction measures include a ban on North Korean ships from calling at Japanese ports, as well as imports of North Korean products. The sanctions were unanimously approved twice last October when the measures were evoked and in April this year, but this time the Japanese Communist Party, the Social Democratic Party and some independent lawmakers were against the extension. The JCP explained that there appears to be a new situation over the nuclear issue.

8) Japan-China talks on development of gas fields end in rupture: Foreign ministerial possible in late November

SANKEI (Page 5) (Full)
November 15, 2007

The governments of Japan and China yesterday held a bureau-director-level meeting in Tokyo to discuss development of gas fields in the East China Sea. However, both sides remained at odds over areas subject to joint development. The Japanese side proposed to hold a meeting again within the month. The two countries during the meeting agreed to hold a ministerial-level meeting, such as a foreign ministerial, as needed. The Japanese government is considering dispatching Foreign Minister Koumura to China to urge the Chinese side to make a political decision.

They during the summit in April agreed to report on concrete measures for joint development to their own top leaders. However, it is now difficult to reach a settlement before the deadline. Chief Cabinet Secretary Nobutaka Machimura during a press conference yesterday expressed concern, "If we remain unable to compile any good report, it might affect Prime Minister Fukuda's plan to visit China."

In the past talks, the Japanese side has proposed that an area straddling the Japan-China median line, which includes the Shirakaba (Chunxiao in Chinese) gas field, which China is already developing on its own, be subject to joint development, while the Chinese side has suggested two areas on the Japanese side of the median line.

9) Ruling camp, DPJ agree to discuss DPJ bill to abolish Iraq Law first in Upper House

ASAHI (Page 4) (Excerpt)
November 15, 2007

The ruling and the Democratic Party of Japan (DPJ) agreed in a meeting of the House of Councillors' foreign and defense committees yesterday to deliberate on the DPJ-presented bill to abolish the Iraq Special Measures Law on a priority basis. Deliberations on the government's new antiterrorism bill to resume the Maritime Self-Defense Force's (MSDF) refueling mission in the Indian Ocean will be delayed. The ruling coalition is against the DPJ bill designed to pull SDF personnel out of Iraq, but it intends to urge the DPJ to take a swift vote on the bill with the aim of starting deliberations on the new antiterrorism bill at an early date. Although it is certain that the bill will be rejected in the House of Representatives, the ruling camp will unprecedently back the passage of the bill that it is opposed to.

10) Ruling, opposition parties reach no conclusion on new antiterror bill

YOMIURI (Page 4) (Abridged)

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November 15, 2007

The ruling Liberal Democratic Party and the leading opposition Democratic Party of Japan (Minshuto) held a meeting of their House of Councillors Diet affairs committee chairmen in the Diet yesterday afternoon to discuss a schedule for deliberations on a government-introduced new antiterror bill sent from the House of Representatives to the House of Councillors. In the meeting, the LDP and DPJ Diet affairs chiefs in the Diet's upper chamber, Seiji Suzuki and Susumu Yanase, agreed to refer to the House of Councillors Foreign Affairs and Defense Committee a DPJ-proposed

bill repealing the Iraq Reconstruction and Assistance Special Measures Law. The DPJ had called for the ruling coalition to fast-track the Iraq bill over the new antiterror legislation. The committee will now first deliberate on the Iraq bill.

11) DPJ approves Afghan assistance draft bill allowing SDF to provide only civilian assistance

TOKYO SHIMBUN (Page 2) (Full)
November 15, 2007

The main opposition Democratic Party of Japan (DPJ or Minshuto) approved in a meeting yesterday of its Foreign Affairs and Defense Division a special measures draft bill to support reconstruction of Afghanistan as its counterproposal to the government's new antiterrorism special measures legislation. The draft features dispatch of the Self-Defense Forces (SDF) to Afghanistan only for the purpose of extending civilian assistance. The DPJ will formally make a final decision in a meeting on Nov. 21 of the "Next Cabinet." It will determine whether to submit the bill to the current Diet session after watching the Diet situation.

The bill is temporary legislation with a one-year life span. The draft stipulates that SDF troops would support Afghanistan's efforts to revitalize farm land, and provide medical and food aid in areas where damage has not been inflicted on the civilians. A basic plan for the SDF overseas dispatch requires prior Diet approval. The draft does not refer to SDF participation in the International Security Assistance Force (ISAF), which is party head Ichiro Ozawa's pet argument.

The government's new antiterrorism bill stipulates that the SDF would be allowed to use arms only to protect themselves or those under their control. The DPJ's draft bill expands the standards for the SDF's use of arms, stipulating that the SDF would be allowed to use force when they need to prevent resistance toward their activities at any cost.

Regarding participation in the Maritime Interdiction Operation, including refueling activities, the draft stipulates that if operations are authorized by the United Nations, necessary legal adjustments would be looked into. The draft also mentions the need for an early establishment of a permanent law enabling SDF overseas deployment as needed.

12) Former Yamada executive impeded Defense Agency's investigation of bill-padding case; Yamada briefed Moriya on the matter; Administrative punishment not imposed

TOKYO SHIMBUN (Page 1) (Abridged)
November 15, 2007

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It has come to light that the defense equipment trading house Yamada Corp. has padded a bill for defense equipment. In this connection, former Yamada executive Motonobu Miyazaki, 69, under arrest on suspicion of corporate embezzlement, is suspected to have had a foreign acquaintance act as a manufacturer representative responsible for the matter to offer an explanation to put Yamada at an advantage when the then Defense Agency sent personnel to the United States for investigations in 2002, sources familiar with the matter said.

Yamada explained the past developments to former Vice Defense Minister Takemasa Moriya, 63, who was serving as Defense Policy Bureau director general, a post not responsible for the procurement of equipment.

The special investigation squad of the Tokyo District Public Prosecutors Office on Nov. 13 began seriously questioning Defense Ministry officials responsible for equipment and former defense officials, suspecting that (the Defense Agency) gave favors to (Yamada) in return for entertainment.

Yamada padded the bill for the contract concluded with the Defense

Agency in March 2001 to deliver 24 sets of chaff and flare dispensers (worth about 810 million yen).

A Defense Agency official stationed in the United States realized in December 2001, after the contract was concluded, that the unit price was higher than the same equipment on a different contract. The official then asked the manufacturer, BAE Systems of Britain, and Yamada about the matter and found that the bill was padded.

The Defense Agency sent an official to the United States in May 2002 to investigate the overcharge. Miyazaki blocked the defense official from seeing a BAE representative.

Miyazaki specifically made his acquaintance working at a US corporation closely associated with BAE act as a BAE executive to offer an explanation that would put Yamada at an advantage, according to the sources. Miyazaki is suspected to have forged business cards.

Yamada subsequently proposed to the Defense Agency that it would reduce the amount by 180 million yen and the contract was altered accordingly. Yamada did not receive any administrative punishment from the Defense Agency.

13) Moriya's second testimony today

TOKYO SHIMBUN (Page 1) (Full)
November 15, 2007

Former Administrative Vice-Defense Minister Takemasa Moriya, 63, who was treated to free rounds of golf and wining and dining by Motonobu Miyazaki, a former managing director of the Tokyo-based defense equipment trading house Yamada Corp., will testify this afternoon before the House of Councillors Foreign Affairs and Defense Committee.

The focus will be on how Moriya will testify about allegations that he gave favors to Miyazaki over the procurement of engines for the Air Self-Defense Force's next-generation transport aircraft

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codenamed CX and allegations that he entrusted over 40 million yen to Defense Policy Division Director Nobuki Kawamura, 47, who was his subordinate.

In his testimony on Oct. 29 before the House of Representatives Special Committee on Prevention of Terrorism, Moriya admitted that he had been treated by Miyazaki to golf more than 200 times through April 2007. At the same time, he flatly denied allegations that he had given favors to (Yamada) on the procurement of defense equipment.

Yamada President Yoshihiko Yonezu, 70, will also testify this morning as an unsworn witness.

14) Yamada made 30 million yen in slush funds from procurement of PKO supplies; Money sent from Israel to US

ASAHI (Page 1) (Abridged)
November 15, 2007

Osamu Akiyama, 70, former president of Yamada Corp.'s US subsidy who is under arrest on suspicion of corporate embezzlement, built up a slush fund of 30 million yen -- profit from the procurement of supplies in connection with UN peacekeeping operations in the Middle East -- by means of transferring it to the United States from the office in Israel, sources familiar with the matter said. The special investigation squad of the Tokyo District Public Prosecutors Office has questioned an executive of the office and others on a voluntary basis.

The money is suspected to have been transferred to Japan and was used by former Yamada executive Motonobu Miyazaki, 69, for entertaining former Administrative Vice-Defense Minister Takemasa Moriya, 63.

Yamada President Yoshihiko Yonezu and Moriya are scheduled to testify today before the House of Councillors Foreign Affairs and Defense Committee. How the slush funds were created and how Moriya was entertained are likely to draw attention.

According to Yamada sources and others, the Israel office (in Tel Aviv) of Yamada International Corp. (YIC), Yamada's US subsidiary, undertook work to procure daily necessities, such as food, cookers, and bathtubs, since 1996 when the Self-Defense Force started PKO on the Golan Heights. The payments were made by the local SDF unit in US dollars.

The Israel office, upon receiving orders from former president Akiyama, sent the money, some enclosed in the mail, to Akiyama, who was based in New York at the time. Office executives occasionally took cash with them when they visited the United States. They transferred several million yen annually, for a total of about 30 million yen by around 2002.

Akiyama reportedly pooled the money he received in a secret bank account for a slush fund. The slush fund was suspected to have been sent to Japan and was used by Miyazaki for entertaining Moriya and other defense officials.

The YIC started building up slush funds about 30 years ago on the pretext of executive remuneration. The company reportedly had over 500 million yen in slush funds.

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15) MSDF ships to return home from refueling mission on Nov. 23

TOKYO (Page 2) (Full)
November 15, 2007

A squadron of Maritime Self-Defense Force vessels engaged in refueling activities in the Indian Ocean will return to Japan on the morning of Nov. 23, a high-ranking government official revealed yesterday evening. The government plans to hold a ceremony that day to greet the MSDF vessels, with Defense Minister Shigeru Ishiba and others attending. The MSDF ships withdrew from there at midnight on Nov. 2 along with the Antiterrorism Special Measures Law's Nov. 1 expiry.

16) Labor union of Japanese workers for US military bases set to stage strike against wage cuts

SANKEI (Page 5) (Excerpts)
November 15, 2007

The government is considering cutting its host-nation budget (the so-called sympathy budget) for the stationing of US forces in Japan in next fiscal year's budget. In response, the All Japan Garrison Forces Labor Union (Zencho), composed of Japanese employed on US military bases and chaired by Kazuo Yamakawa, notified the Defense Ministry yesterday of its plan to go on a four-hour strike on Nov. 21 in protest against wage cuts. If actually staged, it will be the first strike by Zencho in 16 years.

The Defense Ministry and the Finance Ministry plan to cut Japanese workers' wages by approximately 10 billion yen.

Wages and allowances for Japanese workers are paid from sympathy-budget-based contracts with the Defense Ministry. The Finance Ministry is calling for abolishing a 10 PERCENT differential added to base pay for Japanese employees and language allowances, as well as lowering retirement allowances to the level of those for national public servants. Negotiations between Washington and Tokyo over sympathy budget cuts are having rough-going.

DONOVAN